NTABANKULU LOCAL MUNICIPALITY

BALANCE SHEET
at 30 June 2008

	Notes	2008	2007
		R	R
ASSETS			
NON-CURRENT ASSETS		271 591	203 192
Property, plant and equipment	1	97 000	-
Long-term debtors	2	174 591	203 192
CURRENT ASSETS		20 044 895	16 640 957
Accounts receivable	3	8 812 135	4 427 473
Short term investments	4	1 596 974	11 095 051
Cash and cash equivalents		9 635 786	1 118 433
TOTAL ASSETS		20 316 486	16 844 149
FUNDS AND LIABILITIES			
FUNDS AND RESERVES		12 909 149	3 004 961
Funds (Project funds)	5	-708 112	9 245 373
Accumulated surplus		13 617 261	-6 240 412
NON-CURRENT LIABILITIES			-
Long-term Liabilities	6	-	-
CURRENT LIABILITIES		7 407 337	13 839 188
Accounts payable	7	6 247 730	7 386 956
Provisions	8	1 031 053	1 031 053
Bank overdraft	9	128 554	5 421 179
TOTAL FUNDS AND LIABILITIES		20 316 486	16 844 149

NTABANKULU LOCAL MUNICIPALITY

INCOME STATEMENT
for the year ended 30 June 2008

2006/2007 R	2006/2007 R	2006/2007 R		Note	2007/2008 R	2007/2008 R	2007/2008 R
Actual Income	Actual Expenditure	Surplus /			Actual Income	Actual Expenditure	Surplus / (deficit)
34 688 823	36 649 864	-1 961 041	**GENERAL ADMINISTRATION**				
34 527 484	36 041 815	-1 514 331	Community services		35 820 239	40 135 717	-4 315 478
161 339	608 049	-446 710	Economic services		123 779	1 309 553	-1 185 774
34 688 823	36 649 864	-1 961 041	**TOTAL**		35 944 018		-5 501 252
		-1 961 041	Surplus / (Deficit) for the year				-5 501 252
		4 144 548	Accumulated surplus / (Deficit) at the beginning of the year				-6 620 412
			Prior year adjustments				
		-8 423 919	Adjusted accumulated surplus / (Deficit) at the beginning of the year	11			25 738 925
		-6 620 412	Accumulated surplus/ (Deficit) at the end of the year				13 617 261

NTABANKULU LOCAL MUNICIPALITY

CASH FLOW STATEMENT
for the year ended 30 June 2008

	Note	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		**30 876 925**	**-178 554**
Cash generated from operations	13	36 400 813	207 769
Investment income			-
Increase / (Decrease) in working capital	14	-5 523 888	-386 324
Contributions from Public or Government			
CASH FLOWS FROM INVESTMENT ACTIVITIES		**14 055 264**	**-2 046 340**
Purchase of property, plant and equipment		14 055 264	-2 046 340
CASH FLOWS FROM FINANCING ACTIVITIES			**1 526 980**
Increase/(Decrease) in Funds		-9 427 520	1 624 042
Decrease in Long-term Liabilities		-	-97 062
Net cash Inflow/(Outflow)		**-9 427 520**	**-697 914**
Increase/(Decrease) in short-term investments		-9 498 077	2 217 903
(Decrease) / Increase in cash on hand		70 557	-2 915 817
Net Cash Generated/(Utilised)		**-9 427 520**	**-697 914**

NTABANKULU LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

	2008	2007
	R	R
1. PROPERTY, PLANT AND EQUIPMENT	**97 000**	**-**
Total property, plant and equipment	70 305 391	56 250 127
Balance at the beginning of the year	56 250 127	19 605 680
Adjustment	0	36 644 477
Capital expenditure during the year	14 055 264	10 592 730
Loans redeemed	97 000	-
Contribution from grants and subsidies	-70 305 391	-56 250 127
Contribution from revenue		
Detailed analysis of property, plant and equipment is Presented on appendix "B"		
2. LONG-TERM DEBTORS:	**174 591**	**203 192**
Computer Loans & Motor Vehicles	4 316	32 917
Councillor's Pension Fund	170 275	170 275
Study Loans	0	-
3. ACCOUNTS RECIEVABLE	**8 812 135**	**4 427 473**
3.1 Customer Debtors	**5 530 767**	**2 740 700**
Trade accounts receivable	5 821 859	4 020 345
Provision for doubtful debts	-291 092	-1 279 645
3.2 Sundry debtors	**3 281 368**	**1 686 773**
Other accounts receivable	1 591 198	-
Vat		-
Creditors with debit Balances		-
Salary suspense debtor		-
OR Tambo water and Sanitation	1 689 170	1 686 773
Short-term portion of long-term debtors	1000	-

	2008	2007
	R	R

4. SHORT-TERM INVESTMENTS

Capital projects/equitable share call account		-
Local Economic Development(LED) call account		-
471 Housing call account	472 927	1 272 165
Bomvini call account	84 748	84 748
FNB MPCC Call	-2 200 000	-
Free Basic electricity call account	-173 924	1 283 567
Free Basic Services	-5 602	779 466
Free Basic Water call account		682 468
Housing project call account	-1 650 167	-
Institutional development call account	440 667	1 278 024
Institutional development plan (IDP)	-162 468	177 920
Leave reserve call account	111 287	275 357
Mbongweni Fund call account	5 357	5 358
Mfundisweni fund call account	2 369	2 366
Municipal support programme	112 852	222 086
Poverty alleviation call account	193 101	193.102
Revolving Credit	185 576	-
Tender fees call account	75 802	75 803
Transitional grant call account	220	225
Revolving fund call account	185 576	185 577
Vukani Mangqamza call account	58 317	1 058 318
Chibini call account	102 023	102 024
Finance Management Grant call account	278 131	391 383
Isilindini call account	105 707	105 710
Municipal Systems Improvement Grant (MSIG) call	3 530 482	652 587
Operations call account	-862 430	693 884
Rentention Call Account	-1 415 312	701 941
MIG Call Account	1 753 432	702 287
Capital Project call account	368 303	168 687
	1 596 974	**11 095 051**

NTABANKULU LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 30 June 2007

	2008	2007
	R	R
5. FUNDS	**-708 112**	**9 245 373**
5.1 Statutory Funds	**0**	**185 577**
Revolving fund	0	185 577
5.2 Trust Funds	**-162 468**	**177 920**
IDP	-162 468	177 920
5.3 Project Funds	**-545 644**	**8 881 876**
471 Housing	472 927	1 272 165
Bomvini Fund	0	84 748
Arts & Culture	-420 000	-
Chibini Survey and Planning	-303 627	102 024
Finance Management Grant	456 542	391 383
Free Basic Electricity fund	1 130 088	1 283 567
Free Basic Services fund	-5 602	779 466
Free Basic Water fund (Isilindini Community Hall)	0	682 468
IDP Fund		-
Institutional Fund	-1 054 199	1 278 024
Mbongweni Fund	-1 601 818	5 358
Mfundisweni Fund		2 366
Municipal Infrastructure	1 753 432	702 287
Municipal System Improvement (MSIG)	3 530 482	682 586
MSP Fund	112 852	222 086
New Community Hall		-
Nzwakazi Sports Field		-
Poverty alleviation		193 102
Transitional Fund	-4 616 721	225
Vukani Mangqamza Fund (Isilindini Survey)		1 164 028
Yandlala Mpisini		35 992

	2008	2007
	R	R
6. LONG-TERM LIABILITIES		
Long-term loans	-	-
This relates to a Development Bank of Southern Africa (DBSA) loan.		
7. ACCOUNTS PAYABLE	**6 247 730**	**7 386 956**
Trade creditors and accruals	13 762	561 737
Other Creditors	6 233 968	6 825 219
8. PROVISIONS	**1 031 053**	**1 031 053**
Leave pay provision	668 287	668 287
Accounting and Audit fees provisions	362 766	362 766
Sundry provisions at year end	-	-
9. BANK AND CASH	**9 507 232**	**-4 302 745**
Cash on hand	75 488	107 954
Meeg Bank Main Account	8 572 802	-5 421 179
First National Bank Main Account	951 764	953 744
Standard Bank Housing Account	-128 554	20 741
Standard Bank Yandlala Mpisini Account	35 732	35 992
10. COUNCILLORS' REMUNERATION	**7 647 351**	**7 314 277**
Mayor's allowances	2 633 479	1 655 845
Councillor's allowance	5 013 873	5 658 432
11. PRIOR YEAR ADJUSTMENTS	**25 738 925**	**-8 423 919**

The prior year adjustment relates to errors identified

NTABANKULU LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 30 June 2008

	2008	2007
	R	R
12. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
-Approved and contracted for		**380 284**
This expenditure will be financed from:		
-Internal sources		380 284
13. CASH GENERATED FROM OPERATIONS	**36 400 813**	**207 769**
Surplus/ (Deficit) for the year	-5 501 252	-1 961 041
Adjustments in respect of:		
Prior year adjustments	27 846 800	-8 423 919
Capital expenditure	14 055 264	10 592 730
Interest received		-
14. INCREASE/(DECREASE) IN WORKING CAPITAL	**-5 523 888**	**-386 324**
(Increase)/Decrease in accounts receivable	-4 384 662	8 683 755
Long term debtors		
Increase/(Decrease) in creditors	-1 139 226	-9 236 923
(Increase)/Decrease in Long-term debtors		166 845

NTABANKULU LOCAL MUNICIPALITY

STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES **APPENDIX A**

for the year ended 30 June 2008

	Balance at 30-Jun-07	Contribution year	Interest on investment	Other income	Expenditure / Charges	Balance at 30-Jun-08
STATUTORY FUNDS						
Revolving fund	185 577					185 577
	185 577					**185 577**
TRUST FUNDS	**177 920**					**177 920**
IDP Fund	177 920					177 920
PROJECT FUNDS						
471 Housing	1 272 165					-1 650 167
Bomvini Fund	84 749					0
Chibini Survey and Planning	102 024					-303 628
Finance Management Grant	391 383	500 000.00			577 922	456 542
Free Basic Electricity fund	1 283 568					0
Free Basic Services fund	779 465					-5 602
Free Basic Water fund (Isilindini	682 468					
Institutional Fund	1 278 024					-1 054 199

STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES (Continued) **APPENDIX A**

for the year ended 30 June 2008

	Balance at 30-Jun-07	Contribution during the year	Interest on investment	Other income	Expenditure / Charges	Balance at 30-Jun-08
Mbongweni Fund	5 357					-5 362
Mfundisweni Fund	2 367					139 403
Municipal System Improvement (MSIG)	682 586	734 000			1 218 370	-500 203
MSP Fund	222 086	200 000			309 234	-654 330.87
New Community Hall	28 286					-28 286
Nzwakazi Sports Field	749					748.84
Poverty alleviation	193 102					22 135
Transitional Fund	225					-696 429.81
Vukani Mangqamza Fund and Isilindini Survey)	1 164 028					
Municipal infrastructure	702 287	14 117 876			11 279 253	-369 498.81
Yandlala Mpisini	35 992					-37 452
	8 881 881	**15 051 876**			**12 806 857**	**-2 129 277**
Total funds	**-9 245 373**					

NTABANKULU LOCAL MUNICIPALITY **APPENDIX C**

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
for the year ended 30 June 2008

Actual 2007 R		Actual 2008 R	Budget 2008 R
	INCOME		
32 582 973	Grants and subsidies:	34 480 930	28 825 000
-	- Provincial Government	-	200 000
24 307 615	- Central Government (Equitable	21 096 151	20 427 000
8 275 358	- Other	13 384 779	8 198 000
2 105 850	Operating income:	1 463 088	6 811 840
1 353 830	- Assessment rates	1 339 309	2 228 840
161 339	- Refuse	123 779	100 000
590 681	- Other income		4 483 000
34 688 823	Total income	35 944 018	35 636 840
	EXPENDITURE		
26 057 134	Total operating expenditure	27 390 006	27 505 104
15 235 576	Salaries, wages and allowances	13 244 326	16 971 447
9 355 083	General expenses	12 951 701	9 166 657
-	Bad debts		
1 466 475	Repairs and maintenance	1 193 980	1 367 000
-	Contribution to funds	-	-
10 592 730	Contribution to property, plant and equipment	14 055 264	8 114 000
36 649 864	Total expenditure	41 445 270	35 619 104
-1 961 041	**SURPLUS/(DEFICIT) FOR THE YEAR**	**-5 501 252**	**17 736**

NTABANKULU LOCAL MUNICIPALITY

DETAILED INCOME STATEMENT **APPENDIX D**

for the year ended 30 June 2008

2007 R Actual Income	2007 R Actual Expenditure	2007 R Surplus / (deficit)		2008 R Actual Income	2008 R Actual Expenditure	2008 R Surplus / (deficit)
34 688 823	**36 649 864**	**-1 961 041**	**RATES AND GENERAL SERVICES**	**35 944 018**	**41 445 270**	**-5 501 252**
34 527 484	**36 041 815**	**-1 514 331**	**Community Services**	**35 820 239**		
	2 999 308		Administration & HR			
	4 538 215		Community Service			
	6 366 270		Councillors			
	10 555 311		Technical Services			
34 527 484	5 288 752		Finance	35 820 239		
	2 896 186		Mayoral Office			
	1 131 957		Municipal Manager			
	1 542 551		Information technology			
	723 265		Public safety			
			Strategic			
161 339	**608 049**	**-446 710**	**Economic Services**	**123 779**		
161 339	608 049		Refuse removal	123 779		
34 688 823	**36 649 864**	-1 961 041	Deficit for the year			-5 501 252
		4 144 548	Accumulated surplus at the beginning of the year			-6 620 412
		-8 423 919	Prior year adjustments	11		25 738 925
		-6 620 412	Accumulated surplus at the end			13 617 261

NTABANKULU LOCAL MUNICIPALITY **APPENDIX E**

STATISTICAL INFORMATION
for the year ended 30 June 2008

GENERAL STATISTICS

1. Population

Age group	Age group as	Total population	Males	Females
0 - 14	57%			
15 - 34	19%			
35 – 64	18%			
65 and over	6%			
Total	**100%**	**136 389**	**45 010**	**91 379**

2. Assessment rates

2.1 Property valuation and assessment rates

	Valuation	Actual income 2007	Actual income 2006
State owned	8 902 290	45 871	
Commercial and	65 397 971	1 307 959	2 228 840
Total valuation	**74 300 261**	**1 353 830**	**2 228 840**

General valuations on land and buildings are performed every five years.
The last general valuation came into effect on August 2000.

The assessment rates were as follows:

- Commercial and Residential 0.02 cents per rand
- State owned properties 0.02 cents per rand

NTABANKULU LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT **APPENDIX B**

for the year ended 30 June 2008

	Balance as at 30-Jun-07	Expenditure	Written-off / Transferred	Balance as at 30-Jun-08
Rates and general services				
Community services				
Land and buildings	2 215 168	0	0	2 215 168
Plant and equipment	8 463 490	0	0	8 463 490
Office equipment	800 970	274 893	0	1 075 863
Road construction	36 759 658	12 055 879		48 815 537
Fencing	418 759			418 759
Waterworks infrastructure	147 307			147 307
Motor vehicles	148 165	1 458 917	0	1 607 082
Testing Ground	3 469 584	0	0	3 469 584
Parhome		265576		265 576
Local Economic Development	1 338 011	0	0	1 338 011
Ward centres	2 489 015	0	0	2 489 015
Economic services				
Sanitation	-			
TOTAL PROPERTY, PLANT AND EQUIPMENT	**56 250 127**			**70 305 391**
Less: Loans redeemed and other capital receipts				
Loans redeemed				
Revenue contribution to capital	56 250 127			
Grants and subsidies				
NET PROPERTY, PLANT AND EQUIPMENT	**-**			**70 305 391**